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ABSTRACT

The Job Training Partnership Act (JTPA) has failed to provide Hispanic Americans with urgently needed training and education. Low educational attainment, limited English proficiency, and illiteracy pose barriers to Hispanic employment. A recent analysis of Hispanic participation in JTPA reported the following findings: (1) participation has been lower than in the previous federal job training program; (2) an estimated 15,000 eligible Hispanics are not being served by JTPA; (3) unemployed males are underrepresented by nearly 27 percent; (4) dropouts are underrepresented by more than one-third; (5) those who do participate receive fewer and less effective services than other participants; (6) Hispanic participants average lower wages than other JTPA participants; and (7) one in four Hispanic participants fails to find jobs compared to one in five white participants. The following factors contribute to this underrepresentation: (1) a performance standards system that lacks incentives to recruit Hispanics; (2) reduction in the role of Hispanic community-based organizations in policymaking and service delivery; (3) reliance on Private Industry Councils that represent only the needs of the business community; (4) restrictions on the availability of support services; and (5) the power of the states to determine what populations will be targeted and at what level of funding. (FMW)

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TESTIMONY ON HISPANIC UNDERREPRESENTATION IN THE JOB TRAINING PARTNERSHIP ACT

Presented by:

Raul Yzaguirre, President

NATIONAL COUNCIL OF LA RAZA
810 First Street, N.E.
Third Floor
Washington, D.C. 20002
(202) 289-1380

Before:

The National Commission for Employment Policy

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NATIONAL COUNCIL OF LA RAZA

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I. INTRODUCTION

Mr. Chairman, members of the Commission, my name is Raul Yzaguirre, and I am President of the National Council of La Raza, one of the largest national Hispanic organizations. I appreciate the opportunity to appear before you today to offer testimony on the participation of Hispanics in the Job Training Partnership Act (JTPA). The National Council of La Raza exists to improve life opportunities for Americans of Hispanic descent and is a private, nonprofit organization representing more than 100 local Hispanic community-based organizations in 32 states, the District of Columbia and Puerto Rico. Approximately 40 of these "affiliates" are involved in providing employment and training services. The National Council has a long-standing commitment to improving the training and employment opportunities available to all Hispanics -- especially those who experience long-term, structural unemployment due to severe lack of education, job skills and meaningful employment opportunities.

Mr. Chairman, I commend the Commission for its excellent work. The Commission was not only the first independent government body to document the underrepresentation of Hispanics in JTPA, it has followed up vigorously on its initial findings in a second, more detailed draft study authored by Dr. Carol Jusenius Romero. These two recent works demonstrate the Commission's commitment to critically examining these complex employment and training issues.

Mr. Chairman, through a series of reports, the National Council of La Raza has expressed deep concern over several elements of JTPA structure which adversely affects Hispanics. While the Council's concerns date back to JTPA's infancy, evidence continues to accrue which confirms some of our worst fears. Hispanics, particularly those most in need of job training, are not being equitably or adequately served by JTPA. Hispanics are "falling through the cracks" of the federal job training system and will continue to do so without immediate policy intervention.

II. THE HISPANIC COMMUNITY

A. Population

Several compelling demographic facts about Hispanics demonstrate an urgent need for job training. Hispanics are a growing mainland population and as of March 1988, totaled 19.4 million people. With a median age of less than 26 years -- compared to 32 years for the general population -- Hispanics are the youngest major U.S. subpopulation. A significant proportion of Hispanics are poor. As of 1987, 28.2% of Hispanics fell below the poverty level, compared to 10.5% of Whites and 33.1% of Blacks. Poverty rates vary among Hispanics. In 1987, 40% of Puerto Ricans and 28% of Mexican Americans were living in poverty. Poverty rates are even higher among Hispanics without a high school diploma. In 1987, among Hispanic adults (25 and over) without high school diplomas, 36% were poor; 33% of Hispanic family heads without high school diplomas were poor.

B. Labor Market Patterns

Hispanic labor market patterns indicate that without adequate training and education, Hispanics will not be equipped to compete effectively for jobs in the 21st century. Hispanics comprise 7% of the labor force or 8.6 million workers, a share expected to increase as much as 3 percent by 1995. However, working Hispanics earn proportionately lower wages since they tend to be concentrated in low skill occupations. As of March 1987, half of all two-earner Hispanic families had a weekly income of $627 or less. For White families, this amount was $820, and for Black families, $666. Working Hispanics are also overrepresented in declining industry jobs such as agriculture, mining, manufacturing: While only one-fifth of all employed workers are found in these jobs, the proportion for Hispanics is at least one-third. Finally, Hispanic unemployment rates in the 1980s have remained at least three-fifth higher than the rate for Whites. Hispanics also have higher worker displacement rates and rates of unemployment after being layed off due to a plant closing.

C. Barriers To Employment

Currently, Hispanics face serious barriers to employment which include low educational attainment, limited-English proficiency and illiteracy. Only half of Hispanics 25-and-over are high school graduates. Hispanics also are more likely than Whites or Blacks to have left school before the ninth grade. In 1980, one-fourth of the 11 million persons living in Spanish-speaking homes spoke little or no English. Some estimates indicate that more than half of Hispanic adults 25 years or older are functionally illiterate.

In sum, these demographic and economic data demonstrate that Hispanics make up an important part of the population which JTPA was designed to serve.

III. THE NCLR REPORT

A. Findings

Mr. Chairman, the Council recently completed a report analyzing Hispanic underrepresentation in JTPA. I would like to summarize some of the key elements and findings of the report and offer some recommendations on how to make JTPA a more equitable program for Hispanics. I also request that our report, Falling Through the Cracks: Hispanic Underrepresentation in the Job Training Partnership Act, be included in the hearing record.

The report found that:

- Hispanic participation in JTPA has been lower compared to previous federal training programs, including some predating its predecessor, the Comprehensive Employment and Training Act.

- The level of Hispanic underrepresentation in JTPA translates into an estimated 15,000 eligible Hispanics

annually who should be -- but are not -- served by JTPA.

- Unemployed Hispanic males are underrepresented in JTPA by a margin of nearly 27%.
- Within the JTPA eligible dropout population, Hispanic dropouts are underrepresented by more than one-third.
- Hispanics stay in JTPA programs for shorter periods of time, indicating that Hispanics receive fewer and less effective services.
- When Hispanic participants are placed in jobs, they average slightly lower wages compared to other JTPA participants.
- At least one in four Hispanics who receives JTPA services does not find a job when he or she leaves the program. For Whites, this ratio is one in five.

JTPA clearly has failed to reflect its intended purpose: to serve those who are "most in need" and to serve equitably substantial segments of the eligible population. While Hispanics constitute one major disadvantaged group, they have not received the training they so clearly need.

B. Factors Contributing to Underrepresentation

Falling Through the Cracks identified five factors contributing to the underrepresentation of Hispanics in JTPA. These include:

1. A performance standards system that lacks adequate incentives to reach Hispanics and other hard-to-serve populations.
2. A substantial reduction in the role of community-based organizations in both policy making and service delivery to Hispanics.
3. Private Industry Councils which reflect the interests of the business community without taking into account the needs of hard-to-serve populations.
4. Severe restrictions on the availability of supportive services for JTPA participants.
5. The power of the states to determine what populations will be targeted and at what level of funding.

These significiant features of JTPA's structure have severely restricted its ability to target and effectively serve Hispanics.

C. Recommendations

Our study offers seven recommendations aimed at improving services to Hispanics, some of which are consistent with the findings of the Commission's draft report.

First, the performance standards system must be modified to make the JTPA system more responsive to the urgent Hispanic training needs evidenced in their demographic traits and labor market patterns.

Second, funding restrictions for stipends and supportive services such as child care and transportation must be removed or substantially reduced. Many Hispanics are poor and require these services while they train for jobs.

Third, Congress must mandate the participation of community-based organizations in service delivery and policy decisions within the Private Industry Councils. Hispanic CBOs play an important role in outreach and other services and must be included in policy making decisions. CBOs are comprised of members of the Hispanic community they serve and are knowledgeable about Hispanic cultural values. These CBOs are better equipped to respond to the needs of Hispanics.

Fourth, a responsive incentives and sanctions policy must be designed, implemented and enforced to assure that the needs of Hispanics and other hard-to-serve groups are being met. If service providers are not offering services to Hispanics when they should be, the system should respond by selecting a service provider that will.

Fifth, English language and basic remedial skills training should be integrated with skills training. This could be achieved through modifications in the combination of services (or "service mix") and instructional approaches in order to provide effective training for Hispanics and others who are limited-English proficient or illiterate.

Sixth, restrictions on the collection and dissemination of pertinent data must be lifted. Data must be gathered with respect to competencies gained from training; cost data on participants according to activity of services; characteristics of participants who receive supportive services and stipends; and characteristics of participants who leave the program, as well as the reasons for their attrition.

Finally, increased and better targeted funding is required to provide effective training for Hispanics and other hard-to-serve groups.

IV. NCEP PAPER: PRELIMINARY COMMENTS

The Council applauds the important steps which Dr. Romero has taken for the Commission in her detailed analysis of Hispanic participation in JTPA. The NCEP draft develops four arguments to account for Hispanic underrepresentation in JTPA, examining eligibility criteria, the allocation

formula, representation in policymaking forums, and performance standards. We have reviewed the NCEP draft and would like at this time to offer some general comments with regard to it. We are also developing more specific, technical comments which we will provide to the Commission at a later date.

Let me begin by saying that the Council agrees wholeheartedly with Dr. Romero's central thesis: No program can effectively target a population that it does not understand. JTPA can be made more effective with an understanding of:

- Hispanic demographic realities, such as youthfulness and regional and urban concentration;

- Hispanic population characteristics, such as educational attainment levels, English-language proficiency, public assistance levels, labor force status, discriminatory experience, and others;

- Hispanic community resources, such as community-based organizations and leaders that can be tapped to ensure an efficient and effective program.

In more specific terms, Dr. Romero's analysis confirms some of the Council's most important findings in Falling Through the Cracks: First, the performance standards system does not encourage SDAs to serve Hispanics -- indeed, it does the opposite. Second, lack of Hispanic representation in policymaking forums such as the Private Industry Councils is an important reason for Hispanic underrepresentation. The Council believes that the recommendations presented in Falling Through the Cracks will address these and other issues and should be incorporated into any legislative proposal to improve JTPA.

As for the additional questions raised with regard to eligibility criteria and the funding allocation formula:

- The Council shares Dr. Romero's concern with the eligibility criterion based on receipt of Food Stamps. This criterion could put applicants who do not receive Food Stamps at an unforeseen disadvantage. Romero is right to question the assumption that applicants not receiving Food Stamps only do so because they are not in need. This assumption has resulted in the requirement that applicants not receiving Food Stamps meet extremely low maximum income eligibility criteria -- criteria that are much more stringent than those of the Food Stamp program. For example, if there are two applicants with incomes that are low, but not low enough to meet JTPA's requirements, the applicant who receives Food Stamps would qualify for JTPA while the applicant who does not receive Food Stamps would not. This issue could have a significant impact on populations with low levels of receipt of public

assistance and high levels of poverty, such as the Mexican American population. The Council urges further analysis to determine 1) how frequently acceptance to JTPA is based on receipt of Food Stamps and how frequently it is based on income, and 2) which Hispanic populations would be most affected.

- With regard to the funding allocation formula, Romero argues that because Hispanics are concentrated in large, urban SDAs that receive funds disproportionately small for their size, each of these SDAs could serve an actual number of Hispanics that is representative of its population while nationally, the aggregate number of Hispanics being served remains underrepresentative. The Council encourages further exploration of this issue, in particular, its relevance to Blacks who are also heavily concentrated in urban areas, but who are overrepresented as JTPA participants.

V. CONCLUSIONS

In conclusion, it is clear that Hispanics are significantly underrepresented in JTPA. This underrepresentation is the result of many factors, some that have been well-established and others that may be less well-understood. The Council believes strongly that we must act now to address those factors known to cause underrepresentation. The Council also supports continued study of the questions raised in the NCEP draft.

I would also like to emphasize what appears to be a growing consensus: At all points of the political spectrum there is a focus on helping the most disadvantaged to become self-sufficient, contributing members of our society. The Council applauds the Commission for recognizing the urgent needs and potential contributions of the most disadvantaged Hispanics.

Finally, I cannot overstate the urgency of the situation. Unless employment and training services provided to Hispanics and other hard-to-reach groups are greatly improved in the next decade, the nation will face the prospect of a poorly trained work force unable to meet the challenges of an increasingly technological society. If we invest now, the nation can reap the benefits of a productive workforce; if we do not act, we risk more Americans "falling through the cracks".